Remarks/Arguments

Reconsideration of this Application is requested.

Claims 1-6 and 10 have been rejected by the Examiner under 35 USC § 102(e) as being anticipated by Basch et al. (U.S. Patent No. 6,119,103).

Basch discloses the following in col. 3, lines 50-62.

> The invention relates, in one embodiment, to a computer-implemented method for predicting financial risk, which includes receiving transaction data pertaining to a plurality of transactions for a financial account, the transaction data including one of a transaction type and a transaction amount for each of the plurality of transactions. The method further includes scoring the transaction data, including a transaction pattern ascertained from the transaction data, based on a preexisting model to form a score for the financial account. The method further includes transmitting, if the score is below a predefined financial risk threshold, the score to an account issuer of the financial account.

Basch discloses using a preexisting model to form a score for a financial account.

Basch does not disclose or anticipate steps f and g of claim 1 as amended namely (f)   applying a fraud indicator to each assessment and wherein said fraud indicator is selected from a list of fraud indicator and wherein each of said fraud indicator on the list is representative of a defined area of risk; (g) and determining fraud loss ratios to benchmark risk management effectiveness and those claims dependent thereon.

Claims 9 and 11-14 have been rejected by the Examiner under 35 USC § 103(a) as being unpatentable over Basch et al. (U.S. Patent No. 6,119,103).

The Examiner stated the following in page 5 of the Office Action.

Regarding claim 9, in the method of Basch, a set of data relative to said credit authorization request is retained in a memory of said data processing system Basch does not explicitly disclose that the data is retained for the purpose of being utilized to determine the effectiveness of an assessment methodology. However, reviewing results to determine the effectiveness of a method over time is certainly well known, hence obvious, to those of ordinary skill in the art of lending, and official notice to that effect is hereby taken. Therefore, it would have been obvious to one of ordinary skill in the art, at the time of the invention, to have further modified the method of Basch, so as to utilize the retained results for the purpose determining the effectiveness of an assessment methodology (if such was not already being done), as is well known to do, in order to learn how to continually improve the assessment methodology to identify a greater and greater percentage of the fraudulent applications, since so doing could be performed readily and easily by any person of ordinary skill in the art, with neither undue experimentation, nor risk of unexpected results.

Contrary to the Examiner's assertion it is not well known retain a set of data relative to a credit authorization request in a memory of a data processing system to determine the effectiveness of an assessment methodology.

The Examiner stated the following in pages 5 and 6 of the Patent Office Action.

Regarding claims 11-14, Basch, do not explicitly disclose benchmarking risk management effectiveness by determining fraud loss ratios, including the ratio of fraud loss to any of portfolio maturity, volume of total sales, or total charge-offs. However, benchmarking risk management effectiveness by determining fraud loss ratios, including the ratio of fraud loss to any of portfolio maturity, volume of total sales, or total charge-offs, is certainly well known to those of ordinary skill in the art, and official notice to that effect is hereby taken. Therefore, it would have been obvious to one of ordinary skill in the art, at the time of the invention, to have modified the method of Basch, so as to include benchmarking risk management effectiveness by determining fraud loss ratios, including the ratio of fraud loss to any of portfolio maturity, volume of total sales,

or total charge-offs, as is well known to do, in order to track and understand the effectiveness of the risk management program, since so doing could be performed readily and easily by any person of ordinary skill in the art, with neither undue experimentation, nor risk of unexpected results.

Contrary to the Examiner's assertion it is not well known for measuring fraud losses as a function of portfolio maturity (Claim 12); measuring fraud losses as a function of volume total sales (claims 13) and determining a contribution of fraud losses in total charge offs (claims 14) have not been disclosed by the cited art.

The art cited by the Examiner does not disclose or anticipate new claim 15.

In view of the above claims 1-6, 9, 10, 12-15 are patentable. If the Examiner has any questions, would he please call the undersigned at the telephone number noted below.

Please charge any additional fees that may be required or credit any overpayment to Deposit Account Number 16-1885.

Respectfully submitted,

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